

SERFF Tracking Number: SMNY-127938518 State: Arkansas
Filing Company: Security Mutual Life Insurance Company of New York
Company Tracking Number: IO-9308-G-A
TOI: A10 Annuities - Other Sub-TOI: A10.000 Annuities - Other
Product Name: Individual Retirement Annuity Endorsement
Project Name/Number: /

Filing at a Glance

Company: Security Mutual Life Insurance Company of New York

Product Name: Individual Retirement Annuity SERFF Tr Num: SMNY-127938518 State: Arkansas

Endorsement

TOI: A10 Annuities - Other

SERFF Status: Closed-Approved-
Closed

State Tr Num:

Sub-TOI: A10.000 Annuities - Other

Co Tr Num: IO-9308-G-A

State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Alana Mautone,
Jacqueline Ayres, Derick Deisinger,
Gaile Beebe

Disposition Date: 01/06/2012

Date Submitted: 01/03/2012

Disposition Status: Approved-
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Authorized

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 01/06/2012

State Status Changed: 01/06/2012

Deemer Date:

Created By: Jacqueline Ayres

Submitted By: Jacqueline Ayres

Corresponding Filing Tracking Number:

Filing Description:

Enclosed for review and approval is form IO-9308-G-A, Individual Retirement Annuity Endorsement. This form, upon approval, will replace Form IO-9238, approved by your Department on 12/18/02. This form is an endorsement to be attached to annuity contracts purchased to fund Individual Retirement Annuities established in accordance with the Internal Revenue Code. We have attached a pdf comparison showing the changes from form IO-9238 to form IO-9308-G-A, labeled Exhibit 1 in Supporting Documentation.

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Also enclosed for review and approval is form MK-6929 Rev. 11/10, Endorsement (Limitations on Right to Transfer Ownership). When approved, form MK-6929 Rev. 11/10 will replace form MK-6929 Rev. 6/81, approved 8/11/81. This form is an endorsement to be attached to annuity contracts used in certain qualified plans established in accordance with the Internal Revenue Code. Changes from the previous version are as listed in Exhibit 2, attached to Supporting Documentation.

Also enclosed for review and approval is form IO-9283-NY, Endorsement (Tax Sheltered Annuity Contracts under IRC Section 403(b)). When approved, IO-9283-NY will replace form IO-9126, approved 6/24/93. This form is an endorsement to be attached to annuity contracts purchased in connection with a tax sheltered annuity plan under Section 403(b) of the Internal Revenue Code. Changes from approved form IO-9126 to submitted form IO-9283-NY are in the attachment labeled as Exhibit 3.

These endorsements were changed to comply with corresponding changes in the Internal Revenue Code and Regulations.

Form IO-9308-G-A may be used with the following annuity forms approved by your department, and may be used with other annuity forms approved in the future.

2055, 2056, Single Premium Deferred Annuities, approved 7/26/94
1917-B, Flexible Premium Deferred Annuity, approved 2/8/93

Form MK-6929 Rev. 11/10 may be used with the following annuity forms approved by your department, and may be used with other annuity forms approved in the future.

2055-Q, 2056-Q, Single Premium Deferred Annuities, approved 7/26/94

Form IO-9283-NY may be used with the following annuity forms approved by your department, and may be used with other annuity forms approved in the future.

2055-Q, 2056-Q, Single Premium Deferred Annuities, approved 7/26/94
1917-B, Flexible Premium Deferred Annuity, approved 2/8/93

As these forms are drafted to conform to federal law, no flesch score is included.

The forms are submitted in final print and are subject to only minor modification in paper size and stock, ink, border, Company logo and adaption to computer printing.

If any additional information is required to complete your review, please advise.

SERFF Tracking Number: SMNY-127938518 State: Arkansas

Filing Company: Security Mutual Life Insurance Company of New State Tracking Number: York

Company Tracking Number: IO-9308-G-A

TOI: A10 Annuities - Other Sub-TOI: A10.000 Annuities - Other

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Company and Contact

Filing Contact Information

Alana Mautone, Senior Product Compliance Analyst
 amautone@smlny.com
 100 Court St.
 P. O. Box 1625
 Binghamton, NY 13902
 607-723-3551 [Phone] 7297 [Ext]
 607-338-7562 [FAX]

Filing Company Information

Security Mutual Life Insurance Company of New York
 100 Court Street
 P. O. Box 1625
 Binghamton, NY 13902-1625
 (607) 723-3551 ext. 7297[Phone]
 CoCode: 68772
 State of Domicile: New York
 Group Code:
 Group Name:
 FEIN Number: 15-0442730
 Company Type: Life Insurance
 State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$0.00
 Retaliatory? No
 Fee Explanation: 3 forms @ \$50 = \$150
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Security Mutual Life Insurance Company of New York	\$150.00	01/03/2012	54961623

SERFF Tracking Number: SMNY-127938518 *State:* Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	01/06/2012	01/06/2012

SERFF Tracking Number: SMNY-127938518 *State:* Arkansas
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Disposition

Disposition Date: 01/06/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SMNY-127938518 State: Arkansas

Filing Company: Security Mutual Life Insurance Company of New York State Tracking Number:

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Exhibits		Yes
Form	Individual Retirement Annuity		Yes
	Endorsement		
Form	Endorsement (Limitations on Right to		Yes
	Transfer Ownership)		
Form	Endorsement (Tax Sheltered Annuity		Yes
	Contracts Under IRC Section 403(b))		

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Form Schedule

Lead Form Number: IO-9308-G-A

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	IO-9308-G-A	Policy/Cont Individual Retirement Initial ract/Fratern Annuity Endorsement al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial			IO9308G_A_11_2010_Actuarial.pdf
	MK-6929 Rev. 11/10	Policy/Cont Endorsement (Limitations on Right ract/Fratern to Transfer al Certificate: Ownership) Amendmen t, Insert Page, Endorseme nt or Rider	Initial			MK6929_11_2010_Actuarial.pdf
	IO-9283-NY	Policy/Cont Endorsement (Tax ract/Fratern Sheltered Annuity al Contracts Under IRC Certificate: Section 403(b)) Amendmen t, Insert Page, Endorseme nt or Rider	Initial			IO-9283-NY.pdf

INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT

This endorsement is attached to and made part of the Contract as of the Contract Date. The provisions of this endorsement apply in lieu of any Contract provisions to the contrary. This endorsement is added to the Contract to comply with the Internal Revenue Code provisions relating to Individual Retirement Annuities ("IRA").

1. The Owner provision of the Contract is changed to provide that the Owner must be the Annuitant. A Contingent Owner may not be designated. If the Owner dies after required distributions commence, the remaining portion of his or her interest may continue to be distributed under the contract option chosen.
2. The IRA is established for the exclusive benefit of the Owner and his or her designated beneficiary and the interest of the Owner is nonforfeitable. If this is an inherited IRA within the meaning of Code §408(d)(3)(C) maintained for the benefit of a designated beneficiary of a deceased individual, references in this document to the "individual" are to the deceased individual.
3. The Section of the Contract entitled Assignment is changed to provide that the Contract may not be transferred, sold, assigned, discounted or pledged as collateral for a loan.
4. (a) The premium paid must be in cash. Except in the case of a rollover contribution (as permitted by Code §§402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(e)(16)) or a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) as described in §408(k), the total of such contributions shall not exceed:

\$4,000 for any taxable year beginning in 2005 through 2007; and

\$5,000 for any taxable year beginning in 2008 and years thereafter.

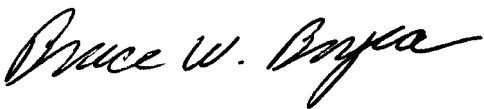
After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §219(b)(5)(C). Such adjustments will be in multiples of \$500.

- (b) In the case of an individual who is 50 or older, the annual cash contribution limit is increased by \$1,000 for any taxable year beginning in 2006 and years thereafter.
 - (c) No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to §408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.
 - (d) In addition to the amounts described in paragraphs (a) and (b) above, an individual may make additional contributions specifically authorized by statute - such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation.
 - (e) In addition to the amounts described in paragraphs (a) and (c) above, an individual who was a participant in a §401(k) plan of a certain employer in bankruptcy described in Code §219(b)(5)(C) may contribute up to \$3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph (e) may not also make contributions under paragraph (b).
5. (a) Notwithstanding any provision of this IRA to the contrary, the distribution of the individual's interest in the IRA shall be made in accordance with the requirements of Code §408(b)(3) and the regulations thereunder, the provisions of which are herein incorporated by reference.
- (b) The entire interest of the individual for whose benefit the contract is maintained will commence to be distributed no later than the first day of April following the calendar year in which such individual attains age 70 ½ (the "required beginning date"), over (a) the life of such individual or the lives of such individual and his or her designated beneficiary or (b) a period certain not extending beyond the life expectancy of such individual or the joint and last survivor expectancy of such individual and his or her designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either nonincreasing or they may increase only as provided in Q&As-1 and -4 of §1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of §1.401(a)(9)-6. If this is an inherited IRA within the meaning of §408(d)(3)(C), this paragraph and paragraphs (c) and (d) below do not apply.

- (c) The distribution periods described in paragraph (b) above cannot exceed the periods specified in §1.401(a)(9)-6 of the Income Tax Regulations.
 - (d) The first required payment can be made as late as April 1 of the year following the year the individual attains age 70 ½ and must be the payment that is required for one payment interval.
6. (a) **Death on or After Required Distributions Commence.** If the individual dies on or after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the contract option chosen.
- (b) **Death Before Required Distributions Commence.** If the individual dies before required distributions commence, his or her entire interest will be distributed at least as rapidly as follows:
- (1) If the designated beneficiary is someone other than the individual's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the individual's death, or, if elected, in accordance with paragraph (b)(3) below. If this is an inherited IRA within the meaning of Code §408(d)(3)(C) established for the benefit of a nonspouse designated beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased individual under §402(c)(11), then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the nonspouse designated beneficiary may elect to have distributions made under this paragraph (b)(1) if the transfer is made no later than the end of the year following the year of death.
 - (2) If the individual's sole designated beneficiary is the individual's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death (or by the end of the calendar year in which the individual would have attained age 70 ½, if later), over such spouse's life expectancy, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
 - (3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the individual's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(2) above).
 - (4) Life expectancy is determined using the Single Life Table in Q&A-1 of §1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph (b)(1) or (2) and reduced by 1 for each subsequent year.
- (c) The "interest" in the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.
- (d) For purposes of paragraphs (a) and (b) above, required distributions are considered to commence on the individual's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(2) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of §1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.
- (e) If the sole designated beneficiary is the individual's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

- (f) The required minimum distributions payable to a designated beneficiary from this IRA may be withdrawn from another IRA the beneficiary holds from the same decedent in accordance with Q&A-9 of §1.408-8 of the Income Tax Regulations.
7. The Beneficiary provision of the Contract, if any, is changed to provide that if the sole designated beneficiary is the individual's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.
8. This Annuity contract does not require fixed premiums.
9. Any refund of premiums (other than those attributable to excess contributions) will be applied, before the close of the calendar year following the year of the refund, toward the payment of future premiums or the purchase of additional benefits.
10. The Company shall furnish annual calendar year reports concerning the status of the annuity and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.
11. In order to retain its qualification under §408(b), the Company may amend this Annuity contract as required by changes in the Internal Revenue Code regulations and published rulings. Any such amendment will be issued to all §408(b) annuitants. Any such amendment is subject to acceptance by the Owner. Any amendment not returned to us within 30 days of receipt will be deemed accepted.
12. Compensation means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in Code §401(c)(2) (reduced by the deduction the self employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, §401(c)(2) shall be applied as if the term trade or business for purposes of §1402 included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends) or amounts not includible in gross income (determined without regard to §112). Compensation also does not include any amount received as a pension or annuity or as deferred compensation. The term "compensation" shall include any amount includible in the individual's gross income under §71 with respect to a divorce or separation instrument described in subparagraph (A) of §71(b)(2). The term "compensation" also includes any differential wage payments as defined in §3401(h)(2).
13. The Owner shall comply with the tax qualified plan provisions to prevent loss of the advantages of tax deferral and to prevent tax penalties. The contract is issued on the condition that, and you hereby agree that you, and not the insurance company issuing the contract, shall be responsible for compliance with the provisions and limitations set forth in this endorsement and the Internal Revenue Code. You may wish to consult your personal tax advisor.

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

[]

[President]

ENDORSEMENT

Attached to and made a part of Contract No. [Specimen]

Limitations on Right to Transfer Ownership

This Amendment has been added to the attached Contract to comply with the terms of the retirement plans and Internal Revenue Regulations Section 401(g). Provisions of this endorsement supersede any Contract provisions to the contrary. The section of the Contract entitled Assignment is changed to provide that the attached Contract, at any time when it is held by any person other than the trustee of a trust described in Internal Revenue Regulation Section 401(a) and exempt under Internal Revenue Regulation Section 501(a), shall not be sold, assigned, discounted or pledged: (a) as collateral for a loan; (b) as security for the performance of an obligation; or (c) for any other purpose, to any person or corporation other than Security Mutual Life Insurance Company of New York.

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

[*Bruce W. Boyka*]

[President]

ENDORSEMENT

(Tax Sheltered Annuity Contracts under IRC Section 403(b))

This endorsement is attached to and made part of the annuity contract ("contract") as of its effective date and the provisions of this endorsement supersede any contrary provisions in the contract.

1. This contract has been issued as part of a Section 403(b) annuity contract pursuant to an agreement between the contract owner ("you") and your employer, an organization described in Internal Revenue Code ("IRC") Section 403(b)(1)(A).
2. This contract is non-transferable.
3. Pursuant to IRC Section 403(b)(11), as amended from time to time, distributions from this contract to the owner which are attributable to either (a) contributions made after December 31, 1988 under a salary reduction agreement, or (b) interest accruing under this contract after December 31, 1988, are permitted only in certain circumstances. Such distributions may not be made unless you have: 1) attained age 59½, 2) separated from service, 3) died, 4) become disabled (within the meaning of IRC Section 72(m)(7)), 5) experienced a "hardship", or as otherwise permitted from time to time by IRC Section 403(b)(11) and its accompanying regulations. In the case of a hardship, you may not withdraw any income attributable to contributions made pursuant to your salary reduction agreement (within the meaning of IRC Section 402(g)(3)(c)).

A direct transfer between Section 403(b)(1) annuity contracts may not constitute an actual distribution under Section 403(b) provided the transfer meets the requirements of regulation Section 1.403(b)(10). Accordingly, surrenders from this contract are permitted, in accordance with contract provisions, for the purpose of a direct transfer to another Section 403(b)(1) annuity contract.

IRC Section 72(m)(7) currently defines "disability" as follows: "An individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration."

Under currently applicable IRS regulations, "hardship" is defined to mean "immediate and heavy financial needs of the employee...A distribution based upon financial need created by the hardship cannot exceed the amount required to meet the immediate financial need created by the hardship and not reasonably available from other resources of the employee."

4. (a) Distributions of benefits under your contract shall comply with IRC Section 403(b)(10) and accompanying regulations, including the incidental death benefit rules thereunder.
- (b) Your entire interest in the annuity contract must be distributed, or begin to be distributed, by your required beginning date, which is the April 1 following the calendar year in which you reach age 70½. For each succeeding year, a distribution must be made on or before December 31. By the required beginning date you may elect to have the balance in the account distributed in one of the following forms:
 - (i) a single sum payment;
 - (ii) equal or substantially equal payments over your life;
 - (iii) equal or substantially equal payments over the applicable distribution period determined from the Uniform Lifetime Table in A-2 of regulation Section 1.401(a)9-9, except in the case of a spouse beneficiary who is more than 10 years younger than the owner.
- (c) If you die before your entire interest is distributed, the entire remaining interest will be distributed as follows:
 - (i) If you die on or after distributions have begun under subsection (b) of this section, the entire remaining interest must be distributed at least as rapidly as provided under subsection (b). However, if the owner has a designated beneficiary, the beneficiary's interest may be distributed over the longer of (1) the beneficiary's life expectancy calculated using the Single Life Table in Q & A (1) of 401(a)9-9 of the Income Tax Regulations or (2) the remaining life expectancy of the owner in the calendar year of his death, reduced by one calendar year for each calendar year that elapses thereafter.
 - (ii) If you die before distributions have begun under subsection (b), the entire remaining interest must be distributed as you elected or, if you have not so elected, as elected by your beneficiary or beneficiaries, as follows:

- A) by December 31st of the year containing the fifth anniversary of your death; or
 - B) in equal or substantially equal payments over the life or life expectancy of the designated beneficiary or beneficiaries starting by December 31st of the year following the year of your death. If, however, the beneficiary is your surviving spouse, then this distribution is not required to begin before December 31st of the year in which you would have turned 70½.
- (d) An Individual may satisfy the minimum distribution requirements under sections 403(b)(10) and 401(a)(9) of the Code by receiving a distribution from one tax sheltered annuity that is equal to the amount required to satisfy the minimum distribution requirements for two or more tax sheltered annuities. For this purpose, the owner of two or more tax sheltered annuities may use the "alternative method" described in Notice 88-38, 1988-1 C.B 524, to satisfy the minimum distribution requirements described above.
- 5. This endorsement may be terminated upon written request by the contract owner at any time. However, such termination may cause this contract to fail to qualify under Section 403(b) of the Code.
 - 6. The contract is issued on the condition that, and you hereby agree that you, and not the insurance company issuing the contract, shall be responsible for compliance with the provisions and limitations set forth in this endorsement and the IRC. You may wish to consult your personal tax advisor.
 - 7. In order to retain its qualification under Section 408(b), the Company may amend this Annuity contract as required by changes in the Internal Revenue Code regulations and published rulings. Any such amendment will be issued to all Section 408(b) annuitants. Any such amendment is subject to acceptance by the Owner. Any amendment not returned to us within 30 days of receipt will be deemed accepted.

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

[*Bruce W. Byrka*]

President

SERFF Tracking Number: SMNY-127938518 State: Arkansas

Filing Company: Security Mutual Life Insurance Company of New York
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Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Flesch Certification		
Bypass Reason: Exempt per Section 23=80-206 as forms are drafted to conform to federal law.		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Application		
Bypass Reason: No policy filed.		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Life & Annuity - Acturial Memo		
Bypass Reason: Not applicable for endorsements.		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Exhibits		
Comments:		
Attachments:		
Exhibit 1 9308_9238.pdf		
EXHIBIT 2 6929.pdf		
Exhibit 3 9126_9283.pdf		

Text Comparison

Documents Compared

IO9238_10_2002[2].pdf

IO9308G_A_11_2010_Actuarial.pdf

Summary

885 word(s) added

194 word(s) deleted

1383 word(s) matched

30 block(s) matched

To see where the changes are, scroll down.

INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT

This endorsement is attached to and made part of the ~~Contract. The provisions of this endorsement supersede any contrary provisions in the Contract.~~

- ~~1. The Owner~~ must be the Annuitant. A Contingent Owner may not be designated.
2. The IRA is established for the exclusive benefit of the Owner and his or her designated beneficiary and the interest of the Owner is nonforfeitable.
- ~~3. The Annuity contract may not be transferred, sold, assigned, discounted, or pledged as collateral for a loan.~~
4. (a) The premium paid must be in cash. Except in the case of a rollover contribution (as permitted by Code §§402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(e)(16)) or a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) as described in §408(k), the total of such contributions shall not exceed:

~~\$3,000 for any taxable year beginning in 2002 through 2004,~~
 \$4,000 for any taxable year beginning in 2005 through 2007; and
 \$5,000 for any taxable year beginning in 2008 and years thereafter.

After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §219(b)(5)(C). Such adjustments will be in multiples of \$500.

- (b) In the case of an individual who is 50 or older, the annual cash contribution limit is increased ~~by:~~

~~\$500 for any taxable year beginning in 2002 through 2005, and~~
 \$1,000 for any taxable year beginning in 2006 and years thereafter.

- (c) No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to §408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.
5. (a) Notwithstanding any provision of this ~~agreement~~ to the contrary, the distribution of the individual's interest in the IRA shall be made in accordance with the requirements of Code §408(b)(3) and the regulations thereunder, the provisions of which are herein incorporated by reference. ~~If distributions are not made in the form of an annuity on an irrevocable basis (except for acceleration), then distribution of the interest in the IRA (as determined under section 6 (c) must satisfy the requirements of Code §408(a)(6) and the regulations thereunder, rather than paragraphs (b), (c) and (d) below and section 6.~~
- ~~(b)~~ (b) The entire interest of the individual for whose benefit the contract is maintained will commence to be distributed no later than the first day of April following the calendar year in which such individual attains age 70 ½ (the "required beginning date"), over (a) the life of such individual or the lives of such individual and his or her designated ~~beneficiary~~, or (b) a period certain not extending beyond the life expectancy of such individual or the joint and last survivor expectancy of such individual and his or her designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either ~~non-increasing~~ or they may increase only as provided in Q&A-1 and -4 of §1.401(a)(9)-6T of the Temporary Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of §1.401(a)(9)-6T.
- ~~(c) The distribution periods described herein in paragraph (b) above cannot exceed the periods specified in §1.401(a)(9)-6T of the Temporary Income Tax Regulations.~~
- (d) The first required payment can be made as late as April 1 of the year following the year the individual attains age 70 ½ and must be the payment that is required for one payment interval. ~~The second payment need not be made until the end of the next payment interval.~~
6. (a) ~~If the Owner dies~~ after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the contract option chosen.
- (b) ~~Death before required distributions commence.~~ If the ~~Owner~~ dies before required distributions commence, his or her entire interest will be distributed at least as rapidly as follows:
 - (1) If the designated beneficiary is someone other than the individual's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death,

INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT

This endorsement is attached to and made part of the Contract as of the Contract Date. The provisions of this endorsement apply in lieu of any Contract provisions to the contrary. This endorsement is added to the Contract to comply with the Internal Revenue Code provisions relating to Individual Retirement Annuities ("IRA").

1. The Owner provision of the Contract is changed to provide that the Owner must be the Annuitant. A Contingent Owner may not be designated. If the Owner dies after required distributions commence, the remaining portion of his or her interest may continue to be distributed under the contract option chosen.
2. The IRA is established for the exclusive benefit of the Owner and his or her designated beneficiary and the interest of the Owner is nonforfeitable. If this is an inherited IRA within the meaning of Code §408(d)(3)(C) maintained for the benefit of a designated beneficiary of a deceased individual, references in this document to the "individual" are to the deceased individual.
3. The Section of the Contract entitled Assignment is changed to provide that the Contract may not be transferred, sold, assigned, discounted or pledged as collateral for a loan.
4. (a) The premium paid must be in cash. Except in the case of a rollover contribution (as permitted by Code §§402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(e)(16)) or a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) as described in §408(k), the total of such contributions shall not exceed:

\$4,000 for any taxable year beginning in 2005 through 2007; and

\$5,000 for any taxable year beginning in 2008 and years thereafter.

After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §219(b)(5)(C). Such adjustments will be in multiples of \$500.

 - (b) In the case of an individual who is 50 or older, the annual cash contribution limit is increased by \$1,000 for any taxable year beginning in 2006 and years thereafter.
 - (c) No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to §408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.
 - (d) In addition to the amounts described in paragraphs (a) and (b) above, an individual may make additional contributions specifically authorized by statute - such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation.
 - (e) In addition to the amounts described in paragraphs (a) and (c) above, an individual who was a participant in a §401(k) plan of a certain employer in bankruptcy described in Code §219(b)(5)(C) may contribute up to \$3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph (e) may not also make contributions under paragraph (b).
5. (a) Notwithstanding any provision of this IRA to the contrary, the distribution of the individual's interest in the IRA shall be made in accordance with the requirements of Code §408(b)(3) and the regulations thereunder, the provisions of which are herein incorporated by reference.
- (b) The entire interest of the individual for whose benefit the contract is maintained will commence to be distributed no later than the first day of April following the calendar year in which such individual attains age 70 ½ (the "required beginning date"), over (a) the life of such individual or the lives of such individual and his or her designated beneficiary or (b) a period certain not extending beyond the life expectancy of such individual or the joint and last survivor expectancy of such individual and his or her designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either nonincreasing or they may increase only as provided in Q&As-1 and -4 of §1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of §1.401(a)(9)-6. If this is an inherited IRA within the meaning of §408(d)(3)(C), this paragraph and paragraphs (c) and (d) below do not apply.

over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the individual's death, or, if elected, in accordance with paragraph (b)(3) below.

- (2) If the individual's sole designated beneficiary is the individual's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death (or by the end of the calendar year in which the individual would have attained age 70 ½, if later), over such spouse's ~~life~~, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
- (3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the individual's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(2) above).
- (4) Life expectancy is determined using the Single Life Table in Q&A-1 of §1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph (b)(1) or (2) and reduced by 1 for each subsequent year.
- (c) The "interest" ~~of~~ the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&A-7 and -8 of §1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.
- (d) For purposes of paragraphs (a) and (b) above, required distributions are considered to commence on the individual's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(2) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of §1.401(a)(9)-6T ~~of the Temporary~~ Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.
- (e) If the sole designated beneficiary is the ~~individual's~~ surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

~~7.~~ Any refund of premiums (other than those attributable to excess contributions) will be applied, before the close of the calendar year following the year of the refund, toward the payment of future premiums or the purchase of additional benefits.

8. This Annuity contract does not require fixed premiums.

9. The Company shall furnish annual calendar year reports concerning the status of the annuity and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

10. ~~In order to retain its qualification under Section 408(b), the Company may amend this Annuity contract as required by changes in the Internal Revenue Code regulations and published rulings. Any such amendment will be issued to all Section 408(b) annuitants. Any such amendment is subject to acceptance by the Owner. Any amendment not returned to us within 30 days of receipt will be deemed accepted.~~

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Bruce W. Boyka

~~President~~

- (c) The distribution periods described in paragraph (b) above cannot exceed the periods specified in §1.401(a)(9)-6 of the Income Tax Regulations.
- (d) The first required payment can be made as late as April 1 of the year following the year the individual attains age 70 ½ and must be the payment that is required for one payment interval.
- 6 (a) Death on or After Required Distributions Commence. If the individual dies on or after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the contract option chosen.
- (b) Death Before Required Distributions Commence. If the individual dies before required distributions commence, his or her entire interest will be distributed at least as rapidly as follows:
- (1) If the designated beneficiary is someone other than the individual's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the individual's death, or, if elected, in accordance with paragraph (b)(3) below. If this is an inherited IRA within the meaning of Code §408(d)(3)(C) established for the benefit of a nonspouse designated beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased individual under §402(c)(11) then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the nonspouse designated beneficiary may elect to have distributions made under this paragraph (b)(1) if the transfer is made no later than the end of the year following the year of death.
 - (2) If the individual's sole designated beneficiary is the individual's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the individual's death (or by the end of the calendar year in which the individual would have attained age 70 ½, if later), over such spouse's life expectancy, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
 - (3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the individual's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(2) above).
 - (4) Life expectancy is determined using the Single Life Table in Q&A-1 of §1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph (b)(1) or (2) and reduced by 1 for each subsequent year.
- (c) The "interest" in the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.
- (d) For purposes of paragraphs (a) and (b) above, required distributions are considered to commence on the individual's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(2) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of §1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.
- (e) If the sole designated beneficiary is the individual's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

(f) The required minimum distributions payable to a designated beneficiary from this IRA may be withdrawn from another IRA the beneficiary holds from the same decedent in accordance with Q&A-9 of §1.408-8 of the Income Tax Regulations.

7. The Beneficiary provision of the Contract, if any, is changed to provide that if the sole designated beneficiary is the individual's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

8. This Annuity contract does not require fixed premiums.

9. Any refund of premiums (other than those attributable to excess contributions) will be applied, before the close of the calendar year following the year of the refund, toward the payment of future premiums or the purchase of additional benefits.

10. The Company shall furnish annual calendar year reports concerning the status of the annuity and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

11. In order to retain its qualification under §408(b), the Company may amend this Annuity contract as required by changes in the Internal Revenue Code regulations and published rulings. Any such amendment will be issued to all §408(b) annuitants. Any such amendment is subject to acceptance by the Owner. Any amendment not returned to us within 30 days of receipt will be deemed accepted.

12. Compensation means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in Code §401(c)(2) (reduced by the deduction the self employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, §401(c)(2) shall be applied as if the term trade or business for purposes of §1402 included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends) or amounts not includible in gross income (determined without regard to §112). Compensation also does not include any amount received as a pension or annuity or as deferred compensation. The term "compensation" shall include any amount includible in the individual's gross income under §71 with respect to a divorce or separation instrument described in subparagraph (A) of §71(b)(2). The term "compensation" also includes any differential wage payments as defined in §3401(h)(2).

13. The Owner shall comply with the tax qualified plan provisions to prevent loss of the advantages of tax deferral and to prevent tax penalties. The contract is issued on the condition that, and you hereby agree that you, and not the insurance company issuing the contract, shall be responsible for compliance with the provisions and limitations set forth in this endorsement and the Internal Revenue Code. You may wish to consult your personal tax advisor.

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

[*Bruce W. Boyka*]

[President]

EXHIBIT 2

Changes to Form MK-6929 Rev. 11/10 as Compared to Form MK-6929 Rev. 6/81

Added "Section 401(g)" to end of first sentence.

Added new second sentence "Provisions of this endorsement supersede any Contract provisions to the contrary."

Changed last sentence from "The Applicant or Owner hereby requests and agrees that the attached Contract shall not be sold, assigned, discounted or pledged: (a) as collateral for a loan; (b) as security for the performance of an obligation; or (c) for any other purpose, to any person or corporation other than Security Mutual Life Insurance Company of New York." to "The section of the Contract entitled Assignment is changed to provide that the attached Contract, at any time when it is held by any person other than the trustee of a trust described in Internal Revenue Regulation Section 401(a) and exempt under Internal Revenue Regulation Section 501(a), shall not be sold, assigned, discounted or pledged: (a) as collateral for a loan; (b) as security for the performance of an obligation; or (c) for any other purpose, to any person or corporation other than Security Mutual Life Insurance Company of New York."

Text Comparison

Documents Compared

IO9126_4_1993[1].pdf

IO-9283-NY.pdf

Summary

627 word(s) added

286 word(s) deleted

453 word(s) matched

6 block(s) matched

To see where the changes are, scroll down.

ENDORSEMENT

(Tax Sheltered Annuity Contracts under IRC Section 403(b))

This endorsement is attached to and made part of the ~~life insurance policy or~~ annuity contract ("contract") as of its effective date and the provisions of this endorsement supersede any contrary provisions in the contract.

1. This contract has been issued as part of a Section 403(b) annuity contract pursuant to an agreement between the contract owner ("you") and your employer, an organization described in Internal Revenue Code ("IRC") Section 403(b)(1)(A).

2. This contract is non-transferable.

3. Pursuant to IRC Section 403(b)(11), as amended from time to time, distributions from this contract to the owner which are attributable to either (a) contributions made after December 31, 1988 under a salary reduction agreement, or (b) interest accruing under this contract after December 31, 1988, are permitted only in certain circumstances. Such distributions may not be made unless you have: 1) attained age 59½, 2) separated from service, 3) died, 4) become disabled (within the meaning of IRC Section 72(m)(7)), 5) experienced a "hardship", or as otherwise permitted from time to time by IRC Section 403(b)(11) and its accompanying regulations. In the case of a hardship, you may not withdraw any income attributable to contributions made pursuant to your salary reduction agreement (within the meaning of IRC Section 402(g)(3)(c)).

A direct transfer between Section 403(b)(1) annuity contracts ~~does~~ not constitute an actual distribution under Section 403(b). Accordingly, surrenders from this contract are permitted, in accordance with contract provisions, for the purpose of a direct transfer to another Section 403(b)(1) annuity contract.

IRC Section 72(m)(7) currently defines "disability" as follows: "An individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration."

Under currently applicable IRS regulations, "hardship" is defined to mean "immediate and heavy financial needs of the employee...A distribution based upon financial need created by the hardship cannot exceed the amount required to meet the immediate financial need created by the hardship and not reasonably available from other resources of the employee."

~~4. If the contract to which this endorsement is attached is a life insurance policy, at the time you retire, and in no event later than April 1 of the calendar year following the year in which you attain age 70½, (1) the entire value of the life insurance policy must, at your election, be surrendered or applied to one of the settlement options provided by your life insurance policy to provide a periodic income, excluding the interest only option, so that the death benefit under your life insurance policy will no longer be in force, or (2) the life insurance policy must be distributed to you and will continue in force, subject to the payment of any required premium, and you will be required to report taxable income equal to the cash surrender value of the life insurance policy.~~

~~5. Premiums under your contract must be paid by an employer qualified under IRC Section 403(b) until such time that the cash surrender value of the contract is reported in your taxable income due to a permissible distributable event. Premiums shall comply with the applicable limits under IRC Sections 402(g), 403(b) and 415. Aggregate premiums (including premiums paid by dividends) must at all times be less than (a) 50% of aggregate employer contributions if this contract provides ordinary life insurance protection with nonincreasing premiums and nondecreasing death benefits, and (b) otherwise, 25% of aggregate employer contributions.~~

ENDORSEMENT

(Tax Sheltered Annuity Contracts under IRC Section 403(b))

This endorsement is attached to and made part of the annuity contract ("contract") as of its effective date and the provisions of this endorsement supersede any contrary provisions in the contract.

1. This contract has been issued as part of a Section 403(b) annuity contract pursuant to an agreement between the contract owner ("you") and your employer, an organization described in Internal Revenue Code ("IRC") Section 403(b)(1)(A).
2. This contract is non-transferable.
3. Pursuant to IRC Section 403(b)(11), as amended from time to time, distributions from this contract to the owner which are attributable to either (a) contributions made after December 31, 1988 under a salary reduction agreement, or (b) interest accruing under this contract after December 31, 1988, are permitted only in certain circumstances. Such distributions may not be made unless you have: 1) attained age 59½, 2) separated from service, 3) died, 4) become disabled (within the meaning of IRC Section 72(m)(7)), 5) experienced a "hardship", or as otherwise permitted from time to time by IRC Section 403(b)(11) and its accompanying regulations. In the case of a hardship, you may not withdraw any income attributable to contributions made pursuant to your salary reduction agreement (within the meaning of IRC Section 402(g)(3)(c)).

A direct transfer between Section 403(b)(1) annuity contracts may not constitute an actual distribution under Section 403(b) provided the transfer meets the requirements of regulation Section 1.403(b)(10). Accordingly, surrenders from this contract are permitted, in accordance with contract provisions, for the purpose of a direct transfer to another Section 403(b)(1) annuity contract.

IRC Section 72(m)(7) currently defines "disability" as follows: "An individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration."

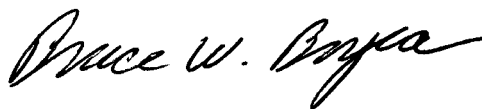
Under currently applicable IRS regulations, "hardship" is defined to mean "immediate and heavy financial needs of the employee...A distribution based upon financial need created by the hardship cannot exceed the amount required to meet the immediate financial need created by the hardship and not reasonably available from other resources of the employee."

4. (a) Distributions of benefits under your contract shall comply with IRC Section 403(b)(10) and accompanying regulations, including the incidental death benefit rules thereunder.
- (b) Your entire interest in the annuity contract must be distributed or begin to be distributed by your required beginning date, which is the April 1 following the calendar year in which you reach age 70½. For each succeeding year a distribution must be made on or before December 31. By the required beginning date you may elect to have the balance in the account distributed in one of the following forms:
 - (i) a single sum payment;
 - (ii) equal or substantially equal payments over your life;
 - (iii) equal or substantially equal payments over the applicable distribution period determined from the Uniform Lifetime Table in A-2 of regulation Section 1.401(a)9-9, except in the case of a spouse beneficiary who is more than 10 years younger than the owner.
- (c) If you die before your entire interest is distributed, the entire remaining interest will be distributed as follows:
 - (i) If you die on or after distributions have begun under subsection (b) of this section, the entire remaining interest must be distributed at least as rapidly as provided under subsection (b). However, if the owner has a designated beneficiary, the beneficiary's interest may be distributed over the longer of (1) the beneficiary's life expectancy calculated using the Single Life Table in Q & A (1) of 401(a)9-9 of the Income Tax Regulations or (2) the remaining life expectancy of the owner in the calendar year of his death, reduced by one calendar year for each calendar year that elapses thereafter.
 - (ii) If you die before distributions have begun under subsection (b), the entire remaining interest must be distributed as you elected or, if you have not so elected, as elected by your beneficiary or beneficiaries, as follows:

~~6. Distributions of benefits under your contract shall comply with IRC Section 403(b)(10) and accompanying regulations, including the incidental death benefit rules thereunder.~~

~~7.~~ The contract is issued on the condition that, and you hereby agree that you, and not the insurance company issuing the contract, shall be responsible for compliance with the provisions and limitations set forth in this endorsement and the IRC. You may wish to consult your personal tax advisor.

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

A handwritten signature in black ink, reading "Bruce W. Boyka". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

~~President~~

- A) by December 31st of the year containing the fifth anniversary of your death; or
B) in equal or substantially equal payments over the life or life expectancy of the designated beneficiary or beneficiaries starting by December 31st of the year following the year of your death. If, however, the beneficiary is your surviving spouse, then this distribution is not required to begin before December 31st of the year in which you would have turned 70½.

(d) An Individual may satisfy the minimum distribution requirements under sections 403(b)(10) and 401(a)(9) of the Code by receiving a distribution from one tax sheltered annuity that is equal to the amount required to satisfy the minimum distribution requirements for two or more tax sheltered annuities. For this purpose, the owner of two or more tax sheltered annuities may use the "alternative method" described in Notice 88-38, 1988-1 C.B. 524, to satisfy the minimum distribution requirements described above.

5. This endorsement may be terminated upon written request by the contract owner at any time. However, such termination may cause this contract to fail to qualify under Section 403(b) of the Code.
6. The contract is issued on the condition that, and you hereby agree that you, and not the insurance company issuing the contract, shall be responsible for compliance with the provisions and limitations set forth in this endorsement and the IRC. You may wish to consult your personal tax advisor.
7. In order to retain its qualification under Section 408(b), the Company may amend this Annuity contract as required by changes in the Internal Revenue Code regulations and published rulings. Any such amendment will be issued to all Section 408(b) annuitants. Any such amendment is subject to acceptance by the Owner. Any amendment not returned to us within 30 days of receipt will be deemed accepted.

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

[*Bruce W. Boyka*]

President